

NOTICE

Notice is hereby given that the Fortieth Annual General Meeting of the Members of **Alps Industries Limited** will be held on Saturday, 29th September, 2012 at 10:00 A.M. at the Corporate Office of the company situated at 57/2, Site IV, Sahibabad Industrial Area, Ghaziabad-201010 (U.P.) to transact the following business :

ORDINARY BUSINESS:

1. To consider, approve and adopt the Audited Balance Sheet for the financial year ended on 31st March 2012, the statement of Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Tilak Raj Khosla (DIN No. 02724242), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution** :

“RESOLVED THAT M/s. P. Jain & Co., Chartered Accountants, Ghaziabad, (Firm Registration No. 000711C) be and are hereby appointed under section 224 & 224A and other applicable provisions of Companies Act, 1956, as Statutory Auditors of the company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company on such remuneration, plus service tax as applicable and reimbursement of out of pocket expenses related with the audit, as shall be fixed by the Audit committee and Board of Directors in this behalf.”

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution** :

“RESOLVED THAT the Board of Directors or any committee thereof be and is hereby authorized under section 94 and other applicable sections of the Companies Act, 1956 to recompose and reclassify the authorized share capital to such extent and in such phases, as may be required to accommodate the option of conversion of 164,770,960 6% Optionally Convertible Cumulative Preference shares (OCCPS) into 152,283,696 equity shares which may be exercised by the holders of OCCPS within the time limits stipulated under the CDR Scheme as approved on August 31, 2009 and as amended from time to time including the reworked of CDR approved on March 31, 2011, and the Clauses V of the Memorandum of Association may be amended from time to time as per the discretionary powers of the Board of Directors or Committee thereof.

“RESOLVED FURTHER THAT Board of Directors or any committee thereof of the company be and are hereby authorized to take all legal and procedural steps including the filing of necessary forms with ROC to implement the aforesaid proposal without any further reference to the members of the company.”

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution** :

“RESOLVED THAT in terms of the Scheme of financial restructuring sanctioned by the Corporate Debt Restructuring Empowered Group (CDR-EG) on August 31, 2009 and as amended from time to time and also in terms of the approval taken from the shareholders of the company at the Annual General Meeting of the company held on December 11, 2009 and further on September 30, 2011, as per the details of allottees of OCCPS as mentioned below, the Minimum Applicable Price (MAP) of Rs. 10.82/- per share instead of Rs. 6.69/- per share based on the relevant date i.e. August 31, 2009 being the approval of original CDR Scheme sanctioned by CDR-EG, for conversion of 6% Optionally Cumulative Convertible Preference Shares into equity shares, be and is hereby approved :

Sr. No.	Name of the Lenders	Approval already taken in the AGM held on 30.09.2011 6% OCCPS under the CDR Scheme approved on August 31, 2009	Probable Conversion of OCCPS into equity Shares @ Rs. 10.82/- (Based on MAP on August 31, 2009, being the Relevant Date)
1	State Bank of Mysore	6,740,000	6,229,205
2	State Bank of Hyderabad	4,050,000	3,743,068
3	Punjab National Bank	13,490,000	12,467,652
4	ICICI Bank Limited	2,160,000	1,996,303
5	HDFC Bank Limited	1,080,000	998,152
	Total	27,520,000	25,434,380

“RESOLVED FURTHER THAT the consent of members be and is hereby accorded for change of relevant date from March 31, 2011 to August 31, 2009 consequently Minimum Applicable Price from Rs. 6.69/- per share to Rs. 10.82/-per share for conversion of aforesaid OCCPS into equity shares and accordingly the approval taken at the annual general meeting held on September 30, 2011 to allot the 27,520,000 OCCPS stands modified to that extent.

“RESOLVED FURTHER THAT, the Board of Directors or any committee thereof be and is hereby authorized to take all the necessary steps including the submission of necessary documents to ROC or any other government/semi government/private authorities, banks, CDR EG, Stock Exchanges etc. to implement the aforesaid amendments and approval be and is hereby also accorded for the rectification of any action /steps as might have been already taken to implement the same and stock exchanges be intimated suitably to take on record the aforesaid amendments with regard to any approval accorded/to be accorded at any point of time.

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution** :

“RESOLVED THAT pursuant to section 80, 81, 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956, and under the Provisions of the Foreign Exchange Management Act, 1999, as

amended from time to time, the Articles of Association of the Company, and the listing agreement entered into by the company with the Stock Exchanges, where Shares of the Company are listed, Original CDR as approved on August 31 2009 and further on Reworked of Corporate Debt Restructuring Scheme (CDR) of the company as approved by the concerned authorities on March 31, 2011 and conveyed to the company vide LOA dated September 11 2009 and May 4, 2011 respectively and subject to any directions/exemptions issued by the Board for Industrial & Financial Reconstruction (BIFR) in terms of the Rehabilitation Scheme as may be approved by BIFR, and subject to such approvals, consents, permissions and/or sanctions as may be required from the Securities and Exchange Board of India (SEBI), Banks/Financial Institutions or any other lenders (secured or unsecured) or claimant under unpaid derivative losses and MTM derivative losses or Foreign Exchange losses, Reserve Bank of India, and from any other government/ appropriate authorities/institutions of bodies (hereinafter individually/collectively referred to as the “concerned authorities”) and subject to such conditions if any, as may be stipulated by the concerned authorities from time to time in granting any such approvals, consents, permissions or sanctions, the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include any committee(s) of the Board for the time being, exercising the powers conferred on the Board) and is hereby authorized and empowered and they

shall always be deemed to have been so authorized and empowered on behalf of the Company, in terms of the approved Re-worked Corporate Debt Restructuring(CDR) Scheme, to create, offer, issue and allot as specified below at a price to be decided in accordance with chapter VII of Securities Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulation, 2009, and as amended from time to time, based on the relevant date i.e. August 31 2009, the minimum price comes to Rs. 10.82 per equity shares, which is the date of approval of Original Corporate Debt Restructuring (CDR) Scheme by concerned authorities/banks or as may be directed by BIFR in terms of the Rehabilitation Scheme of the company, with respect to quasi equity instruments, wherever applicable, issued on preferential basis only or equity shares which may arise on conversion of quasi equity instruments into equity shares, to all or any one or more combinations

of members/ shareholders, Body Corporate, Independent Entities, (including Non-resident Indians, Foreign Nationals and FIIs) or any other categories of persons, bankers, institutions, any other lenders (secured or unsecured) or claimant under unpaid derivative losses and MTM derivative losses or Foreign Exchange losses, authorities or otherwise, whether or not such investors are members of the Company, in such manner and in such number as deemed fit by the Board in consultation with the concerned authorities and on such terms and conditions including as to mode of payment, security, rate of interest, conversion and other matters, rights and privileges as may be decided by the Board in its absolute discretion in consultation with the lenders/claimant bankers and in the best interest of the Company at the time of such offer, issue or allotment, on such terms as permitted by law and as deemed appropriate by the Board, on preferential basis, to the following bankers/lenders :

Sr. No.	Name of the allottee	Category/ Nature of Account	Nature of Instruments (Face Value of Rs. 10/-each)		
			#1% CRPS (Unpaid Derivative Losses) Under Category - 'C'	#1% CRPS (MTM Derivative Losses) Under Category - 'D'	Total
1	Development Credit Bank Ltd.	Public - Banks/Financial Institution	14,960,419	-	14,960,419
2	Kotak Mahindra Bank Limited	Public - Banks/Financial Institution	-	22,347,331	22,347,331
3	DBS Bank Ltd	Public - Banks/Financial Institution	-	51,971,814	51,971,814
4	Yes Bank Limited	Public - Banks/Financial Institution	-	24,552,988	24,552,988
	TOTAL		14,960,419	98,872,133	113,832,552

#Cumulative Redeemable Preference Shares (CRPS)

“RESOLVED FURTHER THAT the Equity Shares which may arise consequent on the conversion of quasi equity instruments as mentioned above, shall rank pari-passu with the existing Equity shares of the company in all respect including the right of dividend in compliance with the Depository Act, 1996.

“RESOLVED FURTHER THAT the Quasi-Equity Instruments i.e. 1% Cumulative Redeemable Preference Shares (CRPS) under category “C” & “D” to be issued on face value of Rs. 10/- each in terms of the original CDR scheme and Re-worked of Corporate Debt Restructuring (CDR) Scheme & BIFR as approved by the concerned authorities will be subject to the following major terms and conditions or any other conditions, which may be specified by

the authorities including the nature, size, price, conversion terms or any other relevant conditions without further reference to the shareholders, subject to the approval of the Board of Directors or any committee constituted by the Board in this regard and further subject to the approval from SEBI, Stock Exchange, Reserve Bank of India or any other Government Authorities or Stock Market Regulators.

Terms and conditions for issuance of 14,960,419 @ Rs. 10/- each Aggregating to Rs. 149,604,190, 1% Cumulative Redeemable Preference Shares (CRPS) under Category ‘C’ of the CDR scheme representing the creditors against Unpaid Derivative Losses.

- The 1% CRPS would be issued to the lenders which shall be redeemed in 9th & 10th year after the

original cut of date i.e. 31.01.2009. In case the cash flows does not permit redemption of these CRPS, the company will issue fresh CRPS, carrying dividend @ 1% p.a. and redeemable in 11th to 16th years, to the holders of original CRPS as a consideration for redemption of original CRPS or redeem the CRPS from the promoters' infusion of funds.

- The instrument would be issued within 12 months form the date of implementation of the first CDR package.
- The principal value of the instrument would be the crystallized amount plus 1% simple interest (in the form of dividend) from the date to crystallization or the cut off date, whichever is later.
- Subject to availability of funds, the instrument (CRPS) would have preference over other instruments (except instruments under category A & B) in discounted redemption as per the scheme mentioned under the Re-worked CDR package or as may be amended from time to time, over any other instrument.
- Any other conditions/exemption/direction as may be imposed by BIFR in the Rehabilitation Scheme as may be approved by the BIFR.
- All other terms and conditions as may be presently or as amended from time to time.

Term and conditions for issuance of 98,872,133 @ Rs. 10/- each Aggregating to Rs. 988,721,330, 1% Cumulative Redeemable Preference Shares (CRPS) under category 'D' of the CDR scheme representing the creditors against MTM derivative losses.

- The 1% CRPS would be issued to the lenders which shall be redeemed in 9th & 10th year after the original cut of date i.e. 31.01.2009. In case the cash flows does not permit redemption of these CRPS, the company will issue fresh CRPS, carrying dividend @ 1% p.a. and redeemable in 11th to 16th years, to the holders of original CRPS as a consideration for redemption of original CRPS or redeem the CRPS from the promoters' infusion of funds.
- The instrument would be issued within 12 months form the closing of the year in which MTM Liability is crystallized.

- The principal value of the instrument would be the crystallized amount plus 1% simple interest (in the form of dividend) from the date to crystallization or the cut off date, whichever is later.
- Subject to availability of funds, the instrument (CRPS) would have preference over other instruments (except instruments under category A & B but at par with instrument C) in discounted redemption as per the scheme mentioned under the Re-worked CDR package as may be amended from time to time, over any other instrument.
- Any other conditions/exemption/direction as may be imposed by BIFR in the Rehabilitation Scheme as may be approved by the BIFR.
- All other terms and conditions as may be presently or as amended from time to time. Other General Terms and Conditions applicable to Quasi-Equity Instruments i.e. CRPS.
- Subject to availability of funds, the instrument would have preference over other instruments in discounted redemption as per scheme decided hereinabove over any other instruments.
- The owners of the instruments may exercise option for full and final settlement of the full value of any of the instruments at a discount not below the percentage mentioned in each year. The company shall (with the approval of their Board of Directors and the CDR Monitoring Committee) within 45 days from the close of the financial year ending March of each year seek option for settlement from each instrument holder for a total specified amount (to vary based upon previous years' performance). Settlement shall be made based on the discount quoted. The instrument holder offering higher discount (in closed envelop offer) would get preference over the others, and so on. The minimum discount slab is as under:

Year ending 31/03	2013	2014	2015	2016	2017	2018
Minimum discount	75%	60%	50%	40%	30%	20%

This option would be available, at par, to all the instrument holder i.e. A, B, C and D subject to preferential (A, B, C and D) treatment if discount offered is identical.

- Any other conditions/exemption/direction as may be imposed by BIFR in the Rehabilitation Scheme as may be approved by the BIFR.
- All other terms and conditions as may be presently or as amended from time to time.

“RESOLVED FURTHER THAT subject to SEBI guidelines, Re-worked CDR Scheme of the company as approved and amended from time to time by the concerned authorities, and other applicable laws, BIFR under Rehabilitation Scheme, the Board, or any committee thereof as constituted by them, be and is hereby authorized to decide and approve the terms and conditions of the issue of above mentioned Quasi-Equity Instruments i.e. 14,960,419 1% Cumulative Redeemable Preference Shares (CRPS) under category ‘C’ and 98,872,133 1% Cumulative Redeemable Preference Shares (CRPS) under category ‘D’, and to vary, modify or alter any of the terms and conditions, including size/conversion price of the issue, as it may deem expedient.”

“RESOLVED FURTHER THAT the 14,960,419 1% Cumulative Redeemable Preference Shares (CRPS) under category ‘C’ and 98,872,133 1% Cumulative Redeemable Preference Shares (CRPS) under category ‘D’ issued on preferential basis and allotted as aforesaid, shall be subject to the Memorandum and Articles of Association of the Company and Equity Shares consequent on conversion of quasi equity instruments to equity, if any, shall rank pari passu in all respects with the existing equity Shares of the Company and Quasi-Equity Instruments i.e. 1% Cumulative Redeemable Preference Shares (CRPS) under category “C” & “D” shall be eligible of the rights of dividend over equity shareholder, as per the terms of original CDR Scheme and Re-worked CDR scheme.”

“RESOLVED FURTHER THAT the Board or a duly authorized committee thereof shall be authorized to issue/allot in terms of Section 80, 81, 81(1A) and any other applicable provisions of the Companies Act, 1956, and under the Provisions of the Foreign Exchange Management Act, 1999, as amended from time to time to offer/issue/allot the said Quasi-Equity Instruments i.e. 14,960,419 1% Cumulative Redeemable Preference Shares (CRPS) under category ‘C’ and 98,872,133 1% Cumulative Redeemable Preference Shares (CRPS) under category ‘D’, at the option of the holders of these

instruments, on such terms and conditions as permitted under law.”

“RESOLVED FURTHER THAT for the purpose of giving effect to all or any of the foregoing, the Board or a duly authorized committee thereof be and is hereby authorized in its absolute discretion as it deems fit, inter alia, and from time to time to finalize the Letter of Offer, Application form(s) etc., the price of Securities and to make or carry out any alterations or modifications to the above and to accept and give effect to such alterations or modifications, as regards the terms and conditions of the issue as suggested or recommended by any of the concerned authorities, CDR Scheme of the company or as may be deemed to be expedient and in the best interests of the company suo moto or based on advice of capital markets intermediaries /agency(ies) without requiring to revert to the members of the company and to do all such acts, deeds, matters and things as they may in their absolute discretion, consider necessary, expedient usual or proper or settle any question or remove any difficulty or doubt that may arise with regard to the terms and conditions of the issue including utilization of the proceeds of the issue within the framework of the CDR Scheme of the company and further to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient to implement the scheme and that all or any other powers conferred on the Board vide this Resolution may be exercised by the Board or such Committee(s) thereof as the Board may constitute in this behalf.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or any other officer or officers of the company to give effect to the aforesaid resolution including to execute any documents on behalf of the company and to represent the company before any government authorities approving the CDR Scheme of the company/lenders or bankers of the company and for this purpose, to appoint any Professional Advisers/Consultants/Lawyers.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized, on behalf of the company to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, deem necessary or desirable for

such purpose, including without limitation to enter into arrangements/ agreements/make payment of dividend in priority to equity share holders in case of Quasi-Equity Instruments i.e. 14,960,419 1% Cumulative Redeemable Preference Shares (CRPS) under category 'C' and 98,872,133 1% Cumulative Redeemable Preference Shares (CRPS) under category 'D' as per the terms and conditions mentioned above, including the interchanging of quantum of instruments, number as well as value, and to settle all questions, difficulties or doubts that may arise in regard to such issue as the board, in its absolute discretion deem fit and take all steps which are incidental, consequential, relevant or ancillary in this connection."

By the Order of the Board
For **ALPS INDUSTRIES LTD.**

AJAY GUPTA
(COMPANY SECRETARY & GM LEGAL)

Registered Office : B-2, Loni Road Industrial Area,
Opp. Mohan Nagar, Ghaziabad – 201007, U.P.
Place : Ghaziabad
Date : August 13, 2012

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself, and such proxy need not be a member of the Company. The proxies, in order to be effective, must be received by the Company not less than 48 hours before the commencement of the meeting.
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board resolution to the company authorizing their representative to attend and vote on their behalf at the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 26, 2012 to Thursday, September 27, 2012 (both days inclusive).
4. It has been noticed that some shareholders have not encashed the dividend warrant(s) so far for

the financial year ended 31st March 2005 or any subsequent financial years and refund orders related to Public Issue held during September 2005 such shareholders/investors are requested to make their claim to the company in respect of their unclaimed/unpaid dividend and refund amount before being transferred to Investors Education and Protection Fund. Shareholders/investors are requested to note that no claim shall lie against the said fund or the company in respect of said unclaimed and unpaid dividend or refund account, if transferred to the Investors Education and Protection Fund on due dates. In terms of the Notification dated May 10, 2012 issued by MCA, the details of eligible investors whose Dividend/Refund is lying unpaid has been displayed on the website of the company viz www.alpsindustries.com.

5. The Ministry of Corporate Affairs ("MCA"), Government of India, through its Circular No. 17/2011 and circular dated 18/2011 dated 29th April, 2011 the Company encourages members to intimate/update their e-mail addresses to receive the Annual Report and other communication electronically in support of the "Go Green" initiative of the Ministry of Corporate Affairs (MCA). Members may intimate/ update their e-mail address by sending a mail to the R&T Agent i.e. M/s. Alankit Assignments Ltd. e-mail id jksingla@alankit.com or ajaygupta@alpsindustries.com and investorsgrievance@alpsindustries.com with their name and folio details. The Company will send all communication including the Annual Report via e-mail to the members who have provided their e-mail addresses to the Company/ Depositories. A copy of the Annual Report will be available on the Company's website www.alpsindustries.com.
6. Members are requested to notify immediately any change of their address in respect of their electronic share accounts and physical shares (quoting their client ids/folio nos) to the R&T agent having its Registered Office situated at Alankit Assignments Ltd., Alankit House, 2E/21, Jhandewalan Extn., New Delhi – 110055 or at the Corporate Office of the company situated at 57/2, Site IV, Sahibabad Industrial Area, Ghaziabad-201010, Uttar Pradesh.

7. **Re-appointment of Directors :** At the forthcoming Annual General Meeting, Mr. Tilak Raj Khosla (DIN No. 02724242) retire by rotation and being eligible offer himself for re-appointment. The information/details pertaining to the above director that is to be provided in terms of Clause 49 of the Listing Agreement and in terms of the Article No. 106-109 of Articles of Association of the company are furnished in the statement of Corporate Governance published elsewhere in the Annual Report.
8. In terms of the direction from the Ministry of Corporate Affairs (MCA), No Gifts, gifts coupons or any other complimentary items will be distributed at the meeting.
9. The members are requested to bring the copy of photo ID Proof like Driving License, Voter ID, Passport etc. to avoid the unscrupulous person entry to the meeting.
10. The members, who hold shares in physical form under multiple folios, in identical name or joint accounts in the same order or names, are requested to send the share certificates to M/s. Alankit Assignments Ltd, Registrar and Share Transfer Agent of the company, for consolidation into a single folio.
11. As per the requirement of Clause 5A(II) of the Listing Agreement, three reminders for unclaimed shares held in physical mode have been sent on April 28, 2012, further on June 16, 2012 and finally on July 23, 2012 to the eligible shareholders. Shareholders are requested to note that the above shares have been transferred to "Alps Industries Ltd. - Unclaimed Share Demat Physical Account" and now they can claim their shares after providing the requisite documents to the Registrar and Share Transfer Agent.
12. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make a nomination in respect of shares held by them in physical form. Shareholders desirous of making a nomination are requested to send their requests in Form No. 2B in duplicate (which will be made available on request) to the Registrar and share Transfer Agent of the Company.
13. The Securities Exchange Board of India (SEBI) has

mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Transfer Agent.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173 (2) OF THE COMPANIES ACT, 1956.

The Explanatory Statements for Item no. 3 to 6 of the accompanying Notice are as under :

ITEM NO. 3

Since the shareholding pattern, by holding of more than 25% preference shares (OCCPS/CRPS) by Bankers of the Company, is such that the provisions of section 224A of the Companies Act, 1956, become applicable, the appointment of Statutory Auditors of the Company is required to be made by a special resolution. It has been proposed to re-appoint M/s. P. Jain & Co., Chartered Accountants, Ghaziabad, (Firm Registration No. 000711C) as Auditors of the Company for the financial year 2012-13. The Shareholders are requested to approve the re-appointment of M/s. P. Jain & Co. as the Statutory Auditors by a special resolution, to audit the accounts of the Company for FY 2012-13 as set out in Item No. 3 of the Notice.

None of the Directors of the Company has any concern or interest in this item of business.

ITEM NO. 4

In terms of the Scheme of financial restructuring sanctioned by the Corporate Debt Restructuring Empowered Group (CDR-EG) on August 31, 2009 and as amended from time to time including the reworked of CDR approved on March 31, 2011, further in terms of the approval from the shareholders at the Annual General Meeting (AGM) held on December 11, 2009 and AGM held on September 30, 2011 and in terms of the approval obtained or to be obtained from the Stock Exchanges or any other authority including CDR EG/Banks as may be required, company may allot 164,770,960 6% Optionally Convertible Cumulative Preference

Shares (OCCPS) and which may be converted into 152,283,696 equity shares as per the options which may be exercised by the Holders of OCCPS within the time limits stipulated under the CDR Scheme as approved on August 31, 2009 as amended from time to time.

The Board of Directors or any committee thereof needs to be authorized under section 94 and other applicable sections of the Companies Act, 1956 to re-compose and reclassify the authorized share capital to accommodate the conversion of aforesaid OCCPS into equity shares from time to time and consequently to amend the clause V of the Memorandum of Association.

The consent of the members is also required under Section 94 of the Companies Act, 1956. Hence the matter has been referred to the members of the Company for their approval by way of Special Resolution.

None of the Directors of the Company are interested or concerned in the Resolution.

ITEM NO. 5

In terms of the scheme of financial restructuring sanctioned by the Corporate Debt Restructuring Empowered Group (CDR-EG) on August 31, 2009 and as amended from time to time and also in terms of the approval taken from the shareholders of the company at the Annual General Meeting of the company held on December 11, 2009 and further on September 30, 2011, as per the details of allottees of OCCPS as mentioned below, the Minimum Applicable Price (MAP) of Rs. 10.82/- per equity share instead of Rs. 6.69/- per equity share based on the relevant date i.e. August 31, 2009 being the approval of original CDR Scheme sanctioned by CDR-EG, for conversion of 6% Optionally Cumulative Convertible Preference Shares into equity shares, needs to be approved:

Sr. No.	Name of the Lenders	Approval already taken in the AGM held on 30.09.2011 6% OCCPS under the CDR Scheme approved on August 31, 2009	Probable Conversion of OCCPS into equity Shares @ Rs. 10.82/- (Based on MAP on August 31, 2009, being the Relevant Date)
1	State Bank of Mysore	6,740,000	6,229,205
2	State Bank of Hyderabad	4,050,000	3,743,068
3	Punjab National Bank	13,490,000	12,467,652
4	ICICI Bank Limited	2,160,000	1,996,303
5	HDFC Bank Limited	1,080,000	998,152
	Total	27,520,000	25,434,380

As required by the Stock Exchanges while considering the approval in principle under clause 24(a) of the Listing Agreement for the allotment of aforesaid OCCPS, the consent of members of the company is required for change of relevant date from March 31, 2011 to August 31, 2009 consequently Minimum Applicable Price from Rs. 6.69/-per equity share to Rs. 10.82/- per equity share for conversion of aforesaid OCCPS into equity shares and modification in the approval taken at the Annual General Meeting held on September 30, 2011 to allot 27,520,000 OCCPS to the extent of terms and conditions as stated above. The relevant disclosure in terms of point no. 73 of chapter VII of SEBI (Issue of Capital and Disclosure Requirement) Regulation, 2009 and as amended from time to time for Preferential Issues and as are in force on the date of this Notice is stated below:

“Pricing of the Issue : The calculated minimum price as per SEBI formula works out to Rs. 10.82 per Equity Share on the basis of relevant date, which is the date on which the Original CDR Package is approved by the concerned authorities i.e. August 31, 2009, in accordance with the point no. 71 and 76 of the Chapter VII of SEBI (Issue of Capital and Disclosure Requirement) Regulation, 2009 and as amended from time to time for Preferential Issues of OCCPS convertible into equity shares which may arise consequent on the conversion of Optionally Convertible Cumulative Preference Shares (OCCPS).”

The approval from the members of the company is also sought for the rectification of any actions /steps as might have been already be taken to implement

the same and stock exchanges be intimated suitably to take on record the aforesaid amendments with regard to any approval accorded/to be accorded by them at any point of time including the powers to Board of Directors or any committee thereof to implement the aforesaid decision subject to the approval from government/semi government/private authorities, banks, CDR EG, SEBI, Stock Exchanges etc., if required. As required, the resolution proposed to be passed by way of special resolution.

None of the Directors of the Company are in anyway, concerned or interested in the resolutions.

ITEM NO. 6

The company has been experiencing financial crunch due to global recession coupled with substantial increase in prices of raw material specially cotton and high fluctuations in foreign currency exchange rates which resulted in heavy losses to the company; there was erosion in working capital of the company which adversely affected the debt serviceability of the Company. With a view to tide over the above difficulty arising out of the industry situation and the company's specific issues, the company had approached SBI and other lenders for restructuring of its liabilities under CDR mechanism and a restructuring package was approved by CDR-EG in August 2009 to the company. The Company had achieved the top line as per CDR projections during financial year 2009-10 but could not achieve the projected Operating Profit level in subsequent year i.e. 2010-11 mainly due to

higher cost of raw materials and delay in implementation of Meerut Plant. The liquidity position of the Company was further adversely affected and the company found it difficult to serve the debt obligations as already restructured under the CDR mechanism. The Company informed its lenders that considering its present EBIDTA level and liquidity position, it would not be possible for the company to meet out the present payment obligations as per restructuring package under CDR and requested the lenders/ Management Committee (MC) for permitting re-work of the existing CDR restructuring package. Hence, the company submitted the Re-work of CDR Scheme for restructuring the borrowings which was approved by the CDR Cell on August 31, 2009, original CDR Scheme & Re-worked CDR Scheme on March 31, 2011 and intimated to the company vide LOA dated September 11, 2009 & May 4, 2011, respectively. In accordance with the Re-worked and restructured CDR Scheme, the company has to issue the Quasi-Equity instruments against the term loans (secured and unsecured), unpaid derivative losses & MTM losses. The company had obtained the approval for the above allotment of quasi equity instruments at the Annual General Meeting held on December 11, 2009 and further on September 30, 2011 but due to increase in number of instruments to accommodated the interest due on the outstanding, the fresh approval has been sought. The details of proposed issue are as under:

S. No.	Name of the allottee	Category/ Nature of Account	Nature of Instruments (Face Value of Rs. 10/-each)			Pre Issue (Quasi Equity Instruments)	Post Issue	Post Issue- %age for Category - "C"	Post Issue- %age for Category - "D"
			#1% CRPS (Unpaid Derivative Losses) Under Category - 'C'	#1% CRPS (MTM Derivative Losses) Under Category - 'D'	Total				
1	Development Credit Bank Ltd.	Public - Banks/ Financial Institution	14,960,419	-	14,960,419	-	14,960,419	49.58 Pref	-
2	Kotak Mahindra Bank Limited	Public - Banks/ Financial Institution	-	22,347,331	22,347,331	-	22,347,331	-	12.20 Pref
3	DBS Bank Ltd	Public - Banks/ Financial Institution	-	51,971,814	51,971,814	-	51,971,814	-	28.39 Pref
4	Yes Bank Limited	Public - Banks/ Financial Institution	-	24,552,988	24,552,988	-	24,552,988	-	13.41 Pref
	TOTAL		14,960,419	98,872,133	113,832,552	-	113,832,552	49.58 Pref	54.00 Pref
	Instruments already allotted to bankers/Lenders on various dates		15,212,115	84,220,484	-	-	-	-	-
	GRAND TOTAL		30,172,534	183,092,617					

Cumulative Redeemable Preference Shares (CRPS)

Note:

The post issue percentage for Quasi Equity Instruments (CRPS) has been calculated by adding the proposed issue in the existing issued preference share capital i.e. Quasi Equity Instruments (CRPS), 100,845,675 preference shares (CRPS).

The salient features of the Preferential Issue are :

The disclosures, which are required to be given in the explanatory statement to the notice of the Annual General Meeting in terms of point no. 73 of Chapter VII of SEBI (Issue of Capital and Disclosure Requirement) Regulation, 2009 and as amended from time to time for Preferential Issues and as are in force on the date of this notice, are stated below.

(i) Object of the Issue : As mentioned above, the objective of the issue of quasi equity instruments is to meet out the terms and conditions of the original CDR scheme and Re-worked CDR scheme sanctioned by CDR EG on August 31, 2009 & March 31, 2011 respectively for conversion of secured and unsecured term loans, unpaid derivative losses and MTM derivative losses into Quasi-Equity Instruments i.e. 6% Optionally Convertible Cumulative Preference Shares (OCCPS), 6% Cumulative Redeemable

Preference Shares (CRPS) and 1% Cumulative Redeemable Preference Shares (CRPS) be utilized accordingly. This is part of the restructuring package as per the CDR Scheme.

(ii) Intention of the promoter/directors their associates and relatives/key management persons to subscribe to the offer : The proposed issue of securities is in terms of the Original CDR Scheme approved on August 31, 2009 and Re-worked of CDR Package approved by the CDR Cell on March 31, 2011 only in favour of the lenders/bankers of the company under the scheme of restructuring for term loans (Secured & Unsecured) and unpaid derivative losses & MTM derivative losses which are proposed to be converted into Quasi-Equity Instruments according to the terms and conditions of the Reworked CDR Package of the company. Hence the proposed issues are only for the bankers and lenders of the company.